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1. Obstructions to US flights in zone of Soviet influence US air Service in the "Soviet influence zone": (a) clearance now must be obtained for each crew member on each flight to Rumania; (b) the Yugoslavs will require passports and visas after 15 June for ATC crews, although the crews will not be allowed to leave the airdrome during the brief stops; (c) the Soviets prescribe circuitous air routes in Austria; and (d) the handling of US plane clearances by the Soviets in Hungary is "arbitrary, dilatory, whimsical and unpredictable." Efficient operation of ATC service is practically impossible, and the activities of official US Government personnel are hampered.

## **EUROPE-AFRICA**

- 2. USSR: Smith reports on Soviet intentions in Europe--Ambassador Smith in Moscow believes that the USSR (a) is determined to maintain domination over its "satellite regimes", despite the powerful local resentment against and opposition to these regimes, (b) is prepared to go to "almost any lengths" to achieve this end, (c) has not set any definite limit to its objectives in Europe, and (d) will be limited in its actions only by its own capacities and the opposition it encounters.
- 3. YUGOSLAVIA: Us agrees to close Belgrade Embassy radio—The State Department has agreed to the Yugoslav demand to shut down the Us Embassy radio in Belgrade (see Daily Summary for 29 May, item 7), since Us law prevents our granting reciprocal rights to the Yugoslav Embassy in Washington. In view of the present uncertainty of commercial radio facilities between the two capitals, the Department has instructed Embassy Belgrade (a) to request postponement of the Yugoslav demand from 1 June to 1 July, and (b) not to dismantle the Embassy radio after it is closed, since "emergency" use of this channel may be necessary in case of a break-down of commercial facilities.
- 4. IRAN: Qavam's political strategy--Ambassador Allen believes that Qavam's recent removal of Ambassador Ala as representative at the Security Council "was not solely or even primarily the result of Soviet pressure" but was aimed primarily to placate the left-wing Tudeh Party, which constitutes the "only large, well-organized and functioning political machine in Iran".

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## FAR EAST

- 5. INDIA: Prospects for proposed interim government—US Commissioner Merrell believes, on the basis of conversations with informed Indians, that (a) the Congress Party is almost certain to participate in the proposed interim government and (b) it is "very likely" that the Muslim League, "feeling some jobs and influence in the government would be better than none", will "find some way of justifying its participation".
- 6. N.E.I.: British to relinquish authority—Consul General Batavia has learned that Dutch officials and members of the British Southeast Asia Command have agreed, subject to London approval, that (a) the British are to relinquish to the Dutch all authority in all the N.E.I. except those areas of Java and Sumatra actually occupied by the British; (b) the Dutch at the earliest possible moment will clear Palembang of terrorists, protect oil installations, and begin exports of rubber and other products; and (c) the Dutch will not ask for British military aid even if they "get into a tight spot".

## THE AMERICAS

7. BRAZIL: <u>Communist Party to be banned</u>—US Military Attache Rio reports that, according to an "especially reliable Brazilian Government official", President Dutra already has decided to "close up" Brazil's Communist Party and is awaiting an opportune moment for such action.